

SENATE BILL REPORT

SHB 2678

As of February 19, 2010

Title: An act relating to modifying distributions of funds by the horse racing commission to nonprofit race meets.

Brief Description: Modifying distributions of funds by the horse racing commission to nonprofit race meets.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Quall, Priest, Simpson, Sullivan and Conway; by request of Horse Racing Commission).

Brief History: Passed House: 2/13/10, 95-0.

Committee Activity: Labor, Commerce & Consumer Protection: 2/18/10.

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Staff: Kathleen Buchli (786-7488)

Background: Licensees that are subject to a parimutuel tax must pay a percentage of all daily gross receipts from its in-state parimutuel machines to the Horse Racing Commission (Commission). Additionally, one-tenth of 1 percent of the daily gross receipts from the licensee's in-state parimutuel machines must be forwarded to the Commission for payment to nonprofit race meets. These payments are distributed on a pro rata per-race-day basis and used to fund purses at Kennewick, Walla Walla, Waitsburg, and Dayton, and include funds generated under the parimutuel tax in an amount equal to the difference between funds collected under the additional one-tenth of 1 percent of daily gross receipts from in-state parimutuel machines, interest earned from the Washington Horse Racing Commission Operating Account, fines imposed by the Board of Stewards, and \$300,000.

Summary of Bill: Payments to nonprofit race meets will not be distributed on a pro rata per-race-day basis. The Commission must distribute funds on a per-race-day basis equal to \$15,800 per race day from funds generated under the additional percentage of daily gross receipts from in-state parimutuel machines. If the funds so generated will not fund purses equal to \$15,800 per race day, the Commission may fund purses: first, through fines imposed by the Board of Stewards and the Commission; second, from a Commission approved percentage of a source market fee; third, from interest earned from the Washington Horse Racing Commission Operating Account; and fourth, from the Washington Horse

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Racing Commission Operating Account. If funds generated exceed \$15,800 per race day, the excess must be returned to the licensee.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: It is possible that the number of race days will decrease in the next year because some nonprofit race tracks may close or limit the amount of races held. If this happens and this bill does not pass, the purses awarded at the remaining will be higher than originally intended. This bill ensures purses of \$15,800.

Persons Testifying: PRO: Representative Quall, prime sponsor.